

Message Text

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17

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

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FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 9961

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E.O. 11652: N/A

TAG: ELAB, IS, PINS, EAID, EFIN

SUBJECT: EGGED BUSSES ROLL AGAIN

REF: TEL AVIV 0688

1. EGGED BUS COOPERATIVE RESUMED SERVICES MORNING, JANUARY 27, FOLLOWING MARATHON NEGOTIATIONS AND MANAGEMENT PLEDGES TO ABIDE BY GOLOMB ARBITRATION DECISION ON DISPOSAL OF ASSETS AND APPORTIONMENT OF DEBT LIABILITIES BETIEN COOP AND MINISTRY OF TRANSPORTATION (MOT). ALTHOUGH KNESSET FINANCE COMMITTEE NOT YET FULLY SATISFIED THAT MINISTRY WILL TAKE FIRMER CONTROL OF EGGED FINANCES AND OPERATIONS, IT APPROVED PAYMENT OF INITIAL IL 50 MILLION TO ENABLE RESUMPTION OF BUS OPERATIONS.

2. STRIKING NEW FEATURE OF SETTLEMENT WAS ROLE PLAYED BY FINANCE COMMITTEE WHICH MAY REFLECT NEW KNESSET DETERMINATION TO HOLD MINISTERS AND SENIOR CIVIL SERVANTS MORE CLOSELY ACCOUNTABLE FOR SPENDING OF PUBLIC FUNDS. MAJORITY OF COMMITTEE MEMBERS, IGNORING PARTY LINES, WERE INCENSED BY MOT'S WILLINGNESS TO PAY SUBSIDIES TO EGGED FOR MORE THAN TWO YEARS WITHOUT DEMANDING PROPER AUDITS. WHILE ULTIMATE APPORTIONMENT OF DEBT LIABILITIES NOT YET CLEAR, AN INCREASING NUMBER OF

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KNESSET MEMBERS SHOWED THAT THEY CAN NO LONGER

BE COUNTED ON TO ACCEPT SACRED COW TREATMENT WHICH GOVERNMENT MINISTRIES HAVE TRADITIONALLY ACCORDED TO HISTADRUT COOPERATIVES, KIBBUTZIM AND OTHER HALLOWED ZIONIST INSTITUTIONS.

3. PAST TENDENCY HAS BEEN TO PAY BILLS WITHOUT CLOSE SCRUTINY AND TO SETTLE PROBLEMS QUIETLY WITHOUT PUBLIC ACCOUNTING. WHILE THERE IS STILL SUSPICION THAT MINISTRY OF TRANSPORTATION MAY AGAIN TRY TO RESUME OLD PRACTICE OF COVERING UP EGGED MISMANGEMENT, FINANCE COMMITTEE MEMBERS REPORTEDLY UNWILLING TO PERMIT THIS. THE DETERMINED COMMITTEE ATTITUDE, PUBLIC IMPATIENCE WITH EGGED SCANDALS, THE DISCOVERY THAT THE EIGHT DAY STRIKE HAD HAD ONLY MARGINAL EFFECT ON PUBLIC MOBILITY AND ECONOMY THANKS TO QUICKLY ORGANIZED ALTERNATE MODES OF TRANSPORTATION, AS WELL AS GROWING NUMBERS OF LAW SUITS FILED AGAINST EGGED, APPEAR TO HAVE BEEN KEY FACTORS IN SETTLEMENT ON CONDITIONS LAID DOWN BY FINANCE COMMITTEE. ALTHOUGH COMMITTEE IN THE END SHOWED SOME FLEXIBILITY, IT WAS CLEARLY UNMOVED BY MINISTRY OF TRANSPORT PLEAS THAT RIGIDITY ON PART OF COMMITTEE WAS FACTOR IN DIFFICULTY OF SETTLING CONFLICT.
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